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Review the Issue Of Housing among Urban Dwellers in Malaysia with Special Reference towards Affordability to Home Ownership.

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Abstract

This study aims to review the issue of housing among urban dwellers in Malaysia with special reference towards the affordability of home ownership. We find that the monthly income has a significant relationship with a type of home using correlation test. There is a negative relationship between type of home and monthly income at the 1 % significance level. It shows that monthly income has a relationship to profitability. The correlation test shows that house price and time taken to buy have a positive correlation. For the regression test, only monthly income no significant impact towards the home type of ownership. There is a significant impact between the home type of ownership with time taken to buy and house price at 1% significant level.

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1. Introduction

A house is a home, building or structure that functions as a habitat for humans or other creatures. The term house includes many kinds of dwellings ranging from rudimentary huts of nomadic tribes to complex structures composed of many systems. Apart from affordable, the aspect of comfortable in is also important.

Housing and home ownership issues are not new in Malaysia. This has been much study behavior to clasp the issue mentioned in context of Malaysia (Sirat et al., 1999; Razali Agus, 2001; Mahamud & Hussien, 2002; Aini Hj Idris & Siwar eds., 2003; @Abd Rahim Md Sani, 2007; and Tan, 2008). Based on literature review and inspection, show

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the recent benefit shape of the housing issue is still a problem with the progress of cities in the country, generally the issue of the lack of as long as houses for low and middle-income communities. For low-income groups, is an effort to own houses one of the necessary rations that engage great depletion. Ownership home also indicated that they had managed to get out of the chain deficiency. However, the low levels of home ownership among low-income urban community in Malaysia show that the problem of poverty is still yet to be eliminated by effective. Urban housing problem in Malaysia that sure is the problem of supply of low cost housing and affordable was still unable to meet the demand of the urban population in the country. Increase in house prices too high perceived burden buyer low and moderate income.

1.1 Research Objectives

1. To examine the issue of housing among urban dwellers in Malaysia with special reference towards the affordability of home ownership.
2. To examine the issue of related to home ownership, factors contributing to home ownership, owner perception on the houses that they own.

2. Literature Review

Housing defined a place for resident shelter from the rain and heat. Housing and home ownership issues are not new in Malaysia. This has been many studies conducted to grasp the issues mentioned in Malaysian context (Md Sani @ Abd Rahim, Norazmawati. (2007), Razali Agus, Mohd. (2001), Sirat, Morshidi et al. (1999). Other than that, the price of houses very expensive. Home affordability is a person's financial ability to pay the housing costs involved in the process of buying a home (Md Sani @ Abd Rahim, Norazmawati. (2007).

A prospective home buyer should ensure that the property to be purchased are compatible with the ability to purchase or pay (Bank Negara Malaysia,.Lapuran Tahunan 1992). Besides that, prices of house now are too expensive. A lot of respondents, their salary not enough if comparing with need and wants. There is clear mismatch between the supply and demand of low, medium cost housing in Malaysia.

Over the decades ago the challenge of the housing policies in the developing countries was to ensure that basic accommodation needs are met and at an affordable price for the majority of the citizen (Harris, R. & Arku, G. (2007). The example of the problem of housing, namely price of land is too expensive, a non-strategic places and so on.

Despite the emphasis on improving the provision of housing by the government in Malaysia, housing is still a notorious issue in Malaysia. The very process by which price is created as well as the determinants of price can vary from situation to situate (Rodney, F. 2008). Not at all could buy house, particularly if they have low salaries. The practice of as long as assistance for housing to improve housing affordability for lower proceeds households, most of whom are recipients of social sanctuary payments and are on incomes well below median, is well conventional through the condition of rent assistance to those in the private rental market and through the provision of earnings geared subsidies to those openly housing (Turner et al. 2009).

Have a fixed income and employment is the main reason for the population owns a home. This finding is in line with the findings Norazmawati @ Abd Rahim Md Sani (2007) accomplished that income is a major factor to measure the ability of an individual to own homes.

Under the Seventh Malaysia Plan (1996-2000) and Eight Malaysia Plan (2001-2005), Malaysian management is devoted to supply sufficient, reasonable and value accommodation for all Malaysian, mostly the small revenue grouping.

According to Zabardast (2006), the definition on affordable housing is generally involved in the ability of a household to get the housing services, while specifically it involves the correlation between household income and the price or payment.

The housing procedure literature strongly emphasis' the considerable role played by the state in East and Southeast Asian countries in general and Malaysia in particular (Doling, 1999, Agus et al., 2002). Regardless of the right of way accorded to congregation LIG housing various scholars argue that Malaysia is covering at the rear the sensation

recorded, for example, in Singapore, South Korea and Hong Kong (Salleh and Meng, 1997, Agus et al., 2002, Sirat et al., 1999). This is for the reason that in Malaysia, wealth are dedicated to adequate with the widespread opportunity and the intrusion has been only just focused. Therefore, to realize the rank attain by its neighbors, the Malaysian direction at the arrival of second Malaysia National Development Plan, has disappeared addicted to firm with the confidential sector cum advertise in small rate accommodation (Drakakis-Smith, 1977).

Largely, the Malaysia's accommodation procedure has a principal of aim of realizing all nations, mainly the LIG, are definite admission satisfactory and unrestricted admission to a reasonable accommodation requirement. This is why, according to Agus (2002: 128) management policy prepared revenue differential in housing expenditure so that it can ensure that "public may well buy accommodation of a mass and worth well-matched with the revenue they usual from helpful." In addition, the hub of the housing policy is the construction of willing and supporting housing location in the nation. The policy system set to make sure the widespread settlement preparation that comes with vital and public transportation rations in the accommodation estate. It is hoped that they seek out the country for a feasible and sustainable being settlement can be achieved throughout a suitable and well deliberate accommodation condition.

Nearby is no housing guidelines manuscript in the country (Abd Aziz, 2007). However, the housing guideline is sufficiently articulated in the all five-year Malaysia national maturity strategy (Abdul-Aziz and Jahn Kassim, 2011). It is typical in these policies that the yearly target and law issue for housing attainment are recognizing the management in each of such plans considered a spacious assortment of housing programmed to realize the majority specially to house the LIG. Under such different progress plans, the direction has strongly embarked on an abundant accommodation program, mutually in the pastoral and the city area with the mean of assembly Malaysia a "home-owning society". Such accommodation programmed including Special Low Cost Housing (SLCHP), Peoples Housing Programmed (PHP) and Integrated Peoples Housing Programmed (IPHP) among others (see Malpezzi and Mayo, 1997, Abd Aziz et al., 2008). Programmed (SLCHP), Peoples Housing Programme (PHP) and Integrated Peoples Housing Programmed (IPHP) among others (Malpezzi and Mayo, 1997, Abd Aziz et al., 2008).

Most of the accommodation policies in the mountain country were framed and created to resolve community accommodation troubles face of the subordinate and middle revenue group (Vincent and Joseph, 2000). Accommodation policy can assist to diminish the diversifying force among ethnics and develop societal incorporation as such this ration structure trained in Singapore and France (Loo, Shi and Sun, 2000). Stephen (1994), the plan of the accommodation policy is to the accommodation area which can offer concern to every participant and help out the accomplishment of socioeconomic goal.

Demography typically related to belongings purchase behavior (Pyhrr et al., 1999; Chiu & Ho, 2006; Fontenla & Gonzalez, 2009). By demographic figures, accommodation insists can be exact as of the moment toward the moment (Swan, 1995; Thomas & Malmberg, 2008; Megbolugbe, 1996; Woodward, 1991; Morrel, 2001; Pitkin & Myers, 1994; Ermisch, 1996; Barot, 2001) which bit by bit change (Noor Yasmin & Muhd Zaimi, 2004; Fontenla & Gonzalez, 2009) inside further than twenty years in the demographic rotation (Mankiw & Weil, 1989). In addition the growing enlargement in residents, particularly of adult would drastically extend the insist for the house (Gin & Sandy, 1994). Beneath this condition demography forever become the major display in a measure the require and belongings purchase behavior (Green & Malpezzi, 2005; Joint Center for Housing Studies, 2002 Holman, 2001; Mankiw & Weil, 1989; Megbolugbe, 1996) which involve a certain method and duration (Morrel, 2001).

Mismatch between house prices and household income home will occur if the purchase is taken into account based on available stock house (Hoek - Smit and Diamond, 2003). This condition happens because not all households are able to have the type of house available. For example, low-income households could not afford medium -cost houses, even stock many medium-cost houses available. According Syafiee Shuid (2001), this condition is referred to as a mismatch between the ability of buyers to the home category, either low cost, medium, medium low or high cost.

However, the development of the housing sector to focus on the provision of adequate, affordable and quality houses for by all people, but it does not take into account important factors in determining needs such as housing affordability, adequacy and appropriateness (Summer, 2005).

The shortage of affordable housing to buy and rent the lower income groups this leads to the growth area squatters, slum dwellers and density rates for each house (Nurizan Yahaya, 2001).

3. Data And Methodology

Primary data which has been used for this study is being obtained through 300 questionnaires

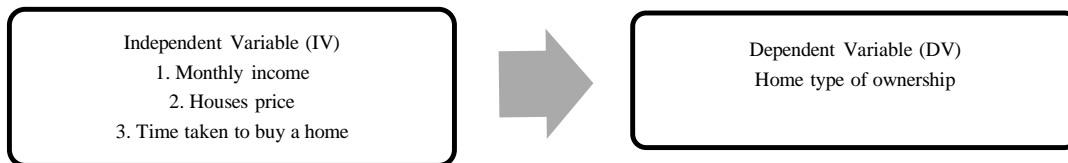


Figure 1: Schematic Diagram (Relationship Diagram)

According to the diagram above, it can be elaborated that the level customers acceptance towards home ownership among low and middle income cities Malaysia are the influence of the variables which is monthly income, houses price and time taken to buy a home. Obviously, any changes in these variables could lead to the level of home type of ownership of respondents. The changes in this variable could explain the relationship that may exist either significant or not.

3.1 Hypothesis

Correlation Analysis

Hypothesis 1:

H1₀: There is no significant relationship between monthly income towards the home type of ownership.

H1₁: There is a significant relationship between monthly income towards the home type of ownership.

Hypothesis 2:

H2₀: There is no significant relationship between houses price towards the home type of ownership.

H2₁: There is a significant relationship between houses price towards the home type of ownership.

Hypothesis 3:

H3₀: There is no significant relationship between time taken to buy a home towards the home type of ownership.

H3₁: There is a significant relationship between time taken to buy a home towards the home type of ownership.

Regression Analysis

Hypothesis 4:

H5₀: There is no significant impact between monthly income towards the home type of ownership.

H5₁: There is a significant impact between monthly income towards the home type of ownership.

Hypothesis 5:

H6₀: There is no significant impact between houses price towards the home type of ownership.

H6₁: There is a significant impact between houses price towards the home type of ownership.

Hypothesis 6:

H7₀: There is no significant impact between time taken to buy a home towards the home type of ownership.

H7₁: There is a significant impact between time taken to buy a home towards the home type of ownership.

4. Results and Findings

4.1 Results for Reliability Test

Table 1 : Reliability test for home problem

Reliability Statistics	
Cronbach's Alpha	N of Items
.401	6

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.693	3.060	4.133	1.073	1.351	.181	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Location	18.03	2.979	.158	.332	.377
Price	18.07	3.056	.120	.389	.397
Design	18.78	2.455	.322	.418	.265
Distance	18.26	2.422	.328	.176	.259
in area	18.57	2.341	.335	.376	.249
Others	19.10	3.473	-.109	.142	.518

From the table above, it shows the total of reliability test for home problem is finding a suitable home. In the beginning, the Cronbach's alpha is 0.401 to 6 items. Other than that, when the scale item is deleted, it will be 0.518. There are showing if distributed consistent when the Cronbach's alpha if item deleted.

Table 2: Reliability test for key factor in the solution of home

Reliability Statistics	
Cronbach's Alpha	N of Items
.750	7

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
26.79	9.413	3.068	7

From the table above, it show reliability test for key factor in the solution of home. It is a significant level. The Cronbach's alpha shows 0.750 with 7 items. The reliability test included the price, location, design, ethnic composition, in area, distance from work and public facilities.

Table 3: Reliability test for dream house of respondents

Reliability Statistics	
Cronbach's Alpha	N of Items
.683	8

Scale Statistics			
Mean	Variance	Std. Deviation	N of Items
28.33	11.443	3.383	8

From the table above, it shows a reliability test for what is the home of your dreams. It is a significant level. The Cronbach's alpha shows 0.683 with 8 items. The reliability test included low costs flats, moderate cost flats, townhouse, terrace house, detached house, condominium, bungalow and others.

4.2 Results for Correlation coefficient

Correlations		m.income	price	buy	t.o.home
m.income	Pearson Correlation	1	.772**	.037	-.219**
	Sig. (2-tailed)		.000	.652	.007
	N	150	150	150	150
Price	Pearson Correlation	.772**	1	-.024	-.361**
	Sig. (2-tailed)	.000		.773	.000
	N	150	150	150	150
Buy	Pearson Correlation	.037	-.024	1	-.222**
	Sig. (2-tailed)	.652	.773		.006
	N	150	150	150	150
t.o.home	Pearson Correlation	-.219**	-.361**	-.222**	1
	Sig. (2-tailed)	.007	.000	.006	
	N	150	150	150	150

**, Correlation is significant at the 0.01 level (2-tailed).

The correlation test is used to determine whether two variables are linearly correlated. Correlation is dividing into two tests which are independent with dependent variables and independent with independent variables. For the correlation above, correlation between independent variables and type of home, only monthly income has a significant relationship. There is a negative relationship between type of home (dependent) and monthly income (independent) at the 1 % significance level (-.219). It shows that monthly income have relationship with profitability. The correlation test between independent variables shows that price and buy have positive correlation at 1% significant level (.773). The result supported by previous studies by Turner et al. (2009) and Norazmawati @ Abd Rahim Md Sani (2007).

4.3 Results for Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.443 ^a	.197	.180	.595	1.909

a. Predictors: (Constant), buy, price, m.income

b. Dependent Variable: t.o.home

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.640	3	4.213	11.914	.000 ^b
	Residual	51.633	146	.354		
	Total	64.273	149			

a. Dependent Variable: t.o.home

b. Predictors: (Constant), buy, price, m.income

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.610	.198		18.250	.000
	m.income	.142	.092	.180	1.541	.125
	price	-.548	.127	-.506	-4.324	.000
	buy	-.162	.050	-.241	-3.233	.002

a. Dependent Variable: t.o.home

Regression equation expresses the linear relationship between two or more variables. From the table above show the estimated R square is 0.197, indicating that 19.7% changes in type of home (dependent) is due to changing in independent variable are reliable. For the regression above, regression between independent variables and type of home, only monthly income no significant impact towards the home type of ownership. There is a significant impact between the home type of ownership (dependent) and house price (independent) at 1% significant level (.000). There is a significant impact between the home type of ownership (dependent) and time taken to buy a home (independent) at 1% significant level (.002). It shows house price and time taken to buy a home have significant impact with type of home. The result supported by previous studies by Harris, R. & Arku, G. (2007).

5. Conclusion And Recommendations

The purpose of this study is home ownership among low and middle income cities Malaysia. For the correlation test, only monthly income has a significant relationship. There is a negative relationship between type of home and monthly income at 1% significant level. It shows that the monthly income have a relationship with profitability. The correlation test between independent variables shows that house price and time taken to buy have positive correlation

at 1% significant level. For the regression test, only monthly income no significant impact towards the home type of ownership. There is a significant impact between the home type of ownership with time taken to buy and house price at 1% significant level.

The governments should be made more housing for middle and lower income of the population especially in cities. A household affordability of housing has to take into consideration on the financial aspects. The main agenda for the connection to defend the well being home buyers have submitted two main proposals for reflection and action by the department of accommodation and limited union. The first is a call to the ministry to reveal the list of housing developers are not liable to be blacklisted for public knowledge. With this exposure, hopefully the buyers will be more aware and careful in choosing developers and projects and are not easily fooled.

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